

WASHINGTON, D.C. – Congresswoman Loretta Sanchez (CA-47) today voted to prevent a dramatic cut in Medicare physician payments that would have jeopardized Orange County families' access to their doctors. The bipartisan Medicare and Medicaid Extenders Act blocks a scheduled 25 percent cut in Medicare payments to physicians through 2011, ensuring that local seniors, military members, and other Medicare beneficiaries can continue to see their doctors. The bill, which passed the Senate by unanimous consent on December 8, now goes to President Obama's desk for his signature.

"The Medicare and Medicaid Extenders Act will ensure that local seniors and military families continue to have access to the best care possible," said Rep. Sanchez. "That's the positive. Unfortunately, since this is not a permanent fix to the Medicare physician rate formula, Congress will have to continue to provide 'doc fixes' indefinitely. We owe seniors, military families, and their doctors a long-term solution they can depend on."

The Medicare and Medicaid Extenders Act's primary purpose is to protect access to physicians for Medicare beneficiaries and military families. Currently, Medicare physician payment rates are scheduled to be reduced by 25 percent on January 1, 2011. The bill would block that reduction and instead extend current Medicare payment rates through December 31, 2011.

Additional provisions of the Medicare and Medicaid Extenders Act include:

Extension of Transitional Medical Assistance (TMA). Transitional Medical Assistance (TMA) allows low-income families to maintain their Medicaid coverage as they transition into employment and increase their earnings. TMA expires December 31, 2010. This bill extends TMA through December 31, 2011.

Extension of the Qualifying Individual (QI) Program. This program allows Medicaid to pay the Medicare Part B premiums for low-income Medicare beneficiaries with incomes between 120 percent and 135 percent of poverty. The QI program expires December 31, 2010. This bill extends the QI program through December 31, 2011.

Extension of Exceptions Process for Medicare Therapy Caps. Current law sets annual per

beneficiary payment limits for all outpatient therapy services provided by non-hospital providers. HHS was required to implement an exceptions process for cases in which the provision of additional therapy services was determined to be medically necessary. The bill extends the therapy caps exception process through December 31, 2011.

Extension of Several Other Health Care Provisions. The bill also extends several other provisions, including the Special Diabetes Programs, the Medicare physician fee schedule mental health add-on payment, and the Medicare outpatient hold harmless provision.

Clarification of the Enrollment Period for Veterans Who Participate in Medicare Part B and TRICARE. The bill clarifies that disabled veterans making Medicare Part B elections on and after March 23, 2010 are eligible for a 12-month special enrollment period to ensure that they properly enroll in Medicare Part B and retain their TRICARE eligibility.

Inclusion of Orphan Drugs for Children's Hospitals Under the 340B Drug Discount Program. The bill clarifies that eligible children's hospitals retain access to 340B drug discounts on orphan drugs.

Addition of Clarification for Affiliated Hospitals for Distribution of Residency Positions. The bill makes a technical correction to clarify that residency positions that are being shared between teaching hospitals under an "affiliation agreement" would not be redistributed to other hospitals. There are more than 300 hospitals in 36 states with affiliation agreements in place that are currently using these residency slots.

Medicare Payments to Skilled Nursing Facilities. Under current law, implementation of a refined payment system reimbursing skilled nursing facilities under Medicare is delayed until October 1, 2011. The bill repeals the delay and allows the payment system to go into effect on October 1, 2010.

According to the Congressional Budget Office, the Medicare and Medicaid Extenders Act would reduce the deficit by \$2.8 billion over the next 10 years. The bill is paid for by modifying the Affordable Care Act's policy regarding overpayments of tax credits provided in the Health Insurance Exchanges to help individuals afford insurance, beginning in 2014. The Medicare and Medicaid Extenders Act is supported by several organizations, including the AARP and the

American Medical Association.□